

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3471-02
Bill No.: HB 1323
Subject: Motor Vehicles; Environmental Protection; Emissions Inspections
Type: Original
Date: February 27, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Missouri Air Pollution Control	(\$15,167)	(\$18,225)	(\$18,225)
Total Estimated Net Effect on <u>All</u> State Funds	(\$15,167)	(\$18,225)	(\$18,225)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri State Highway Patrol** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Revenue** assume the proposed legislation would have minimal administrative impact on their agency.

Officials from the **Department of Transportation** (MoDOT) assume there will be little to no fiscal impact on the department as a result of this legislation at this time. MoDOT officials state it is important to note that in the event that St. Louis is reclassified to a "serious" nonattainment area, the U.S. Environmental Protection Agency (EPA) could impose a 100 percent sanction on all federal funds to MoDOT or to St. Louis. The Clean Air Act contains more stringent requirements for the emissions inspection program in "serious" areas. The negative impact in this scenario could range from \$250,000,000 to \$730,000,000 beginning in Fiscal Year 2004. In the past, the EPA has not gone beyond the region, however, it is possible to lose all highway funds (\$730,000,000).

Oversight assumes that action by the U.S. Environmental Protection Act (EPA) is a matter of speculation. Therefore, possible losses of federal funds are not shown on the fiscal impact.

Officials from the **Department of Natural Resources** (DNR) noted that switching to biennial emissions testing reduces state revenue from this area (Franklin County) by fifty percent. Officials estimate 48,600 annual paid inspections based on an estimate from the contractor performing the emission inspections. Each paid test results in \$0.75 in state revenue. The revenue loss is estimated to be 48,600 paid inspections per year under existing program / 2 (half being inspected under proposed legislation) * \$0.75 per inspection = approximately \$18,225 per year loss in revenue.

Oversight assumes that the effective date of this proposal is August 28, 2002. Therefore, Oversight prorated the loss of revenue to the indicated funds at ten months in FY 03.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
MISSOURI AIR POLLUTION CONTROL FUND			
<u>Loss - Emissions testing - biennial</u>	<u>(\$15,167)</u>	<u>(\$18,225)</u>	<u>(\$18,225)</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses could be affected by the provisions in this proposal.

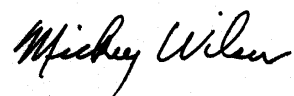
DESCRIPTION

Currently, residents of Franklin County may choose an annual BAR-97 test to fulfill vehicle emissions testing requirements. This bill makes the BAR-97 test biennial and increases the maximum testing fee from \$10.50 to \$24.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Missouri State Highway Patrol
Department of Revenue
Department of Natural Resources



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Acting Director

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